CITY OF COTE SAINT-LUC
PROVINCE OF QUEBEC

FINANCIAL STATEMENTS

DECEMBER 31, 1985

Richter, Usher & Vineberg
COMPTABLES AGREES • CHARTERED ACCOUNTANTS
MONTREAL • TORONTO

CITY OF COTE SAINT-LUC

INDEX TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1985

	PAGE
AUDITORS' REPORT	1
REVENUE FUND	
Balance Sheet	2
Statement of Appropriated Surplus	3
Statement of Revenues and Expenditures and Unappropriated Surplus	4
Schedule of Revenues and Expenditures	5 - 7
LOAN BY-LAWS IN PROGRESS FUND	
Balance Sheet	8
STATEMENT OF NON-CURRENT ASSETS	9
STATEMENT OF LONG TERM DEBT	10
Schedule of Bonds Payable	11
WORKING FUND	
Balance sheet	12
NOTES TO FINANCIAL STATEMENTS	13 - 16

Richter, Usher & Vineberg
COMPTABLES AGREES • CHARTERED ACCOUNTANTS
M O N T R E A L • T O R O N T O
1 WESTMOUNT SQUARE • MONTREAL, QUE. H3Z 2Z9
TELEPHONE: (514) 934-3400 • TELEX: 055-60323 (RICHTER MTL)

AUDITORS' REPORT

To the Mayor and Councillors
City of Cote Saint-Luc
Province of Quebec

We have examined the revenue fund, loan by-laws in progress fund and working fund balance sheets and the statements of non-current assets and long-term debt of the City of Cote Saint-Luc as at December 31, 1985 and the statements of revenue and expenditures and unappropriated surplus and appropriated surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the City of Cote Saint-Luc as at December 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applicable to municipalities on a basis consistent with that of the preceding year.

These financial statements constitute a summary of the official statements of the City of Cote Saint-Luc filed with the Department of Municipal Affairs.

Richter, Usher & Vineberg

CHARTERED ACCOUNTANTS

Montreal, Quebec
April 11, 1986

CITY OF COTE SA

REVENUE FU

BALANCE SHE

AS AT DECEMBER 3

A S S E T S

	1985	1984
Cash (Note 2)	$ 1,434,687	$ 619,511
Term deposits	3,638,612	15,777,291
Investment in treasury bills	7,026,428	-
Taxes and sundry receivables	2,678,165	2,282,809
Due from Loan By-Laws in Progress Fund	5,196,940	2,300,162
Inventories, at cost	231,080	212,474
	$20,205,912	$21,192,247

OF COTE SAINT-LUC

REVENUE FUND

BALANCE SHEET

DECEMBER 31, 1985

L I A B I L I T I E S

	1985	1984
Accounts payable and accrued liabilities	$ 979,879	$ 1,080,439
Due to other municipalities	261,968	811,745
Taxes due to school boards	1,036,735	1,027,726
Deductions at source payable	247,104	231,008
Due to Working Fund	535,690	638,742
Guarantee deposits, holdbacks and sundry liabilities	733,835	779,563
	3,795,211	4,569,223
Contingent Liabilities (Note 3)		
Commitments (Note 4)		
Appropriated Surplus	16,409,438	16,622,747
Unappropriated Surplus	1,263	277
	$20,205,912	$21,192,247

See accompanying notes to financial statements

CITY OF COTE SAINT-LUC

REVENUE FUND

STATEMENT OF APPROPRIATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1985

	Balance January 1, 1985	Appropriations Out of Current Year's Revenues	Utilization of Appropriated Surplus in Current Year	Balance December 31, 1985
Park improvements	$ 176,501	$ 120,000	$ 20,243	$ 276,258
Land acquisitions	16,114	-	-	16,114
Future development	9,000,000	1,000,000	-	10,000,000
Sick benefits (Note 5)	4,172	-	4,172	-
General municipal purposes	1,332,854	-	162,140	1,170,714
Recreational facilities	508,954	-	32,962	475,992
Uninsured claims	12,918	-	-	12,918
Municipal buildings	4,077,453	239,000	1,962,168	2,354,285
Cote St. Luc underpass	698,781	-	-	698,781
Past service adjustments under City pension plan	125,000	-	-	125,000
Tax reductions	125,000	573,974	-	698,974
Engineering improvements	255,000	10,000	189,598	75,402
Purchase of fire equipment	190,000	-	-	190,000
Moving expenses	100,000	-	-	100,000
Lighting improvements	-	200,000	-	200,000
Computer equipment	-	15,000	-	15,000
	$16,622,747	$2,157,974	$2,371,283	$16,409,438

See accompanying notes to financial statements

CITY OF COTE SAINT-LUC

REVENUE FUND

STATEMENT OF REVENUES AND EXPENDITURES AND UNAPPROPRIATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1985

	1985	1984
REVENUES, per schedule	$29,494,201	$32,516,733
EXPENDITURES, per schedule	27,334,964	29,689,456
EXCESS OF REVENUES OVER EXPENDITURES	2,159,237	2,827,277
APPROPRIATIONS OUT OF CURRENT YEAR'S REVENUES		
Reserve for computer equipment	(15,000)	-
Reserve for lighting improvements	(200,000)	-
Reserve for park improvements	(120,000)	(100,000)
Reserve for engineering improvements	(10,000)	(255,000)
Reserve for purchase of fire equipment	-	(190,000)
Reserve for general municipal purposes	-	(200,000)
Reserve for municipal buildings	(239,000)	(982,000)
Reserve for moving expenses	-	(100,000)
Reserve for future development	(1,000,000)	(1,000,000)
Reserve for tax reductions	(573,974)	-
	(2,157,974)	(2,827,000)
NET EXCESS OF REVENUES OVER EXPENDITURES	1,263	277
Unappropriated surplus - beginning of year	277	1,173
Utilization of appropriated surplus in current year	2,371,283	5,161,395
Appropriation of prior years' surplus - Revenue fund	(2,371,560)	(4,862,568)
- Working fund	-	(300,000)
UNAPPROPRIATED SURPLUS - END OF YEAR	$ 1,263	$ 277

See accompanying notes to financial statements

CITY OF COTE SAINT-LUC

REVENUE FUND

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 1985

REVENUES

	1985 Budget	1985 Actual	1984 Actual
TAXATION			
General property	$ 8,508,330	$ 8,392,655	$ 8,244,071
Montreal Urban Community	8,761,053	8,717,797	8,963,417
Local improvement	1,400,000	1,427,308	1,434,314
Water	1,300,000	1,356,799	1,294,848
Business	1,753,000	1,511,154	1,572,464
	21,722,383	21,405,713	21,509,114
COMPENSATION IN LIEU OF TAXES			
Federal government	21,748	30,603	29,487
Quebec government	733,900	750,162	687,195
Quebec government enterprises	783,000	830,837	710,136
	1,538,648	1,611,602	1,426,818
RECREATION AND CULTURE			
Arena	100,000	126,207	126,320
Parks and playgrounds	200,000	275,187	207,952
Swimming pool and canteen	25,000	25,976	26,026
Library fees from non-residents	5,000	12,196	6,963
	330,000	439,566	367,261
CHARGES TO LOAN BY-LAWS IN PROGRESS FUND			
Engineering, interest and administration	155,000	83,221	127,274
OTHER REVENUES FROM LOCAL SOURCES			
Annexation revenue (Note 6)	-	351,452	1,000,000
Garbage removal	100,000	92,703	85,260
Licenses and permits	19,700	32,561	21,787
Duty on transfer of immoveables	250,000	374,672	270,249
Municipal Court - fines and costs	150,000	201,904	151,498
Interest on short term deposits	1,300,000	1,774,600	2,306,524
Interest on tax arrears	225,000	204,524	262,790
Other income	-	57,603	23,230
	2,044,700	3,090,019	4,121,338
APPROPRIATIONS RELATING TO PRIOR YEARS			
Appropriation of prior years' surplus	-	2,371,560	4,862,568
Recovery of prior years' cost of water resulting from settlement with City of Montreal	-	370,892	-
	-	2,742,452	4,862,568

CITY OF COTE SAINT-LUC

REVENUE FUND

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 1985

REVENUES

	1985 Budget	1985 Actual	1984 Actual
CONDITIONAL TRANSFERS			
Quebec library grant	$ 56,000	$ 121,628	$ 102,360
TOTAL REVENUES	$25,846,731	$29,494,201	$32,516,733

EXPENDITURES

GENERAL ADMINISTRATION			
Legislation - Council	163,110	158,399	144,258
Law enforcement - Municipal Court	46,316	40,946	39,238
Finance and general administration	1,119,704	1,195,041	1,078,561
City clerk	250,226	273,084	245,092
Employee benefits - all departments	930,200	899,034	804,869
Other	343,000	445,036	330,525
	2,852,556	3,011,540	2,642,543
PUBLIC SAFETY			
Public security	184,722	218,577	188,223
Fire protection	1,656,770	1,601,579	1,612,893
Emergency Measures Organization	54,399	42,880	50,650
	1,895,891	1,863,036	1,851,766
PUBLIC WORKS AND ROADS			
Administration	361,664	328,235	361,829
Streets and sidewalks	631,081	695,448	615,536
Snow removal	722,513	577,940	864,968
Street lighting	207,621	184,538	176,148
	1,922,879	1,786,161	2,018,481
ENVIRONMENTAL HEALTH			
Sewer systems maintenance	169,836	34,068	80,167
Garbage removal	525,000	524,462	461,173
	694,836	558,530	541,340

CITY OF COTE SAINT-LUC

REVENUE FUND

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 1985

EXPENDITURES

	1985 Budget	1985 Actual	1984 Actual
HEALTH AND WELFARE			
Health services	$ 1,200	$ 1,200	$ 1,200
CITY PLANNING AND COMMUNITY DEVELOPMENT			
Home beautification program	-	-	4,765
City planning and zoning	17,400	18,565	16,855
Homologation and notarial - Neighbourhood 5	-	12,500	12,000
	17,400	31,065	33,620
RECREATION AND CULTURAL SERVICES			
Administration	666,703	712,549	671,712
Arena	261,450	248,259	250,922
Swimming pool	70,400	60,988	57,703
Parks and playgrounds	795,763	670,826	621,223
Library	667,247	758,991	690,644
Community services	46,680	46,239	45,549
	2,508,243	2,497,852	2,337,753
OTHER ACTIVITIES			
Municipal buildings	792,856	759,616	758,793
Machinery and vehicles	719,600	702,580	649,632
Capital expenditures out of revenue	100,000	2,295,150	4,721,141
	1,612,456	3,757,346	6,129,566
OTHER EXPENDITURES			
Debt service and other financing costs	3,529,980	3,218,519	3,462,820
Bad debts provision	-	44,325	50,394
Share of Montreal Urban Community costs	9,110,301	9,108,434	8,999,017
Cost of water supplied by City of Montreal	1,700,000	1,456,956	1,620,956
	14,340,281	13,828,234	14,133,187
TOTAL EXPENDITURES	$25,845,742	$27,334,964	$29,689,456

See accompanying notes to financial statements

CITY OF COTE SAINT-LUC

LOAN BY-LAWS IN PROGRESS FUND

BALANCE SHEET

AS AT DECEMBER 31, 1985

A S S E T S

	1985	1984
Bond refinancing in progress	$ 1,659,000	$ -
Loan By-Laws in Progress (Note 7)	9,605,688	8,867,145
	$11,264,688	$8,867,145

L I A B I L I T I E S

Accounts payable and accrued liabilities	281,000	145,619
Holdbacks payable	153,773	594,958
Due to Revenue Fund	5,196,940	2,300,162
Amounts appropriated to Loan By-Laws	4,963,083	5,174,278
Balances available on Loan By-Laws	669,892	652,128
	$11,264,688	$8,867,145

See accompanying notes to financial statements

CITY OF COTE SAINT-LUC

STATEMENT OF NON-CURRENT ASSETS

AS AT DECEMBER 31, 1985

A S S E T S

	1985	1984
FIXED		
Engineering works (Note 7)	$25,347,201	$24,972,240
Buildings	7,874,579	5,912,020
Land	7,703,333	7,621,656
Machinery and vehicles	2,812,823	2,637,205
Furniture and fixtures	168,754	96,085
	43,906,690	41,239,206
OTHER		
Balance of annexation revenue due (Note 6)	648,548	1,000,000
	$44,555,238	$42,239,206

METHOD OF FINANCING

ASSETS ACQUIRED PRIOR TO JANUARY 1, 1976	15,030,979	15,080,787
ASSETS ACQUIRED AFTER JANUARY 1, 1976		
Financed by:		
Bonds	14,333,252	14,128,870
Revenue Fund	12,853,692	10,570,080
Working Fund	1,288,767	1,059,469
Other	1,048,548	1,400,000
	$44,555,238	$42,239,206

See accompanying notes to financial statements

CITY OF COTE SAINT-LUC

STATEMENT OF LONG-TERM DEBT

AS AT DECEMBER 31, 1985

METHOD OF REPAYMENT

	1985	1984
AMOUNTS OF REVENUE TO BE PROVIDED FOR THE REPAYMENT OF LONG-TERM DEBT	$15,228,601	$17,888,331

L I A B I L I T I E S

BONDS PAYABLE		
Quebec Municipal Commission	549,509	570,361
City of Montreal	1,072,092	1,127,970
Others	13,207,000	15,790,000
	14,828,601	17,488,331
OTHER LONG-TERM DEBT		
City of Montreal (Notes 6 and 7)	400,000	400,000
	$15,228,601	$17,888,331

See accompanying notes to financial statements

CITY OF COTE SA

SCHEDULE OF BONDS

AS AT DECEMBER 3

Issue Number	Date of Issue	Interest Rate	Date of Maturity	Amo Iss
20	March 1965	5-3/4%	March 1985	$ 49
22	February 1967	7.0%	February 1987	1,36
23	October 1966	5-3/8%	October 1986	9
24	October 1966	5-3/8%	October 1986	71
25	November 1967	7.0%	November 1987	47
26	February 1969	8.0%	February 1989	75
27	August 1969	8-1/2%	August 1989	61
28	February 1970	9.0%	February 1990	48
30	July 1971	8.0%	July 1989	1,09
34	November 1975	10-1/2%	November 1985	71
35	January 1977	10-1/4%	January 1987	1,59
36	January 1978	9-1/2%	January 1985	11
	January 1978	9-3/4%	January 1987	13
	January 1978	10.0%	January 1988	1,26
37	February 1979	10-1/4%	February 1985	43
	February 1979	10-1/2%	February 1988	27
	February 1979	10-1/4%	February 1989	28
	February 1979	10-1/2%	February 1989	1,00
38	October 1979	10-3/4%	October 1989	61
	October 1979	10-3/4%	October 1999	1,23
39	November 1980	13.0%	November 1985	1,23
	November 1980	13.0%	November 1990	61
40	January 1980	10.65%	January 1995	1,29
41	August 1981	16-1/2%	August 1986	2,00
42	August 1982	17.0%	August 1987	3,02
43	December 1983	9-3/4%	December 1985	4
	December 1983	10-1/4%	December 1986	4
	December 1983	10-3/4%	December 1987	4
	December 1983	11.0%	December 1988	74
				$22,80

OF COTE SAINT-LUC

E OF BONDS PAYABLE

DECEMBER 31, 1985

Amount Issued	Amount Redeemed in 1985	Amount Redeemed to December 31, 1985	Balance Outstanding as at December 31, 1985
$ 491,000	$ 350,000	$ 491,000	$ -
1,365,000	100,000	1,146,000	219,000
94,448	7,044	87,026	7,422
712,678	13,808	170,591	542,087
476,000	72,000	204,000	272,000
750,000	-	497,000	253,000
619,000	-	492,000	127,000
484,000	17,000	377,000	107,000
1,093,000	-	1,012,000	81,000
714,000	714,000	714,000	-
1,596,000	84,000	84,000	1,512,000
110,000	58,000	110,000	-
135,000	-	-	135,000
1,261,000	-	-	1,261,000
431,000	78,000	431,000	-
279,000	-	-	279,000
286,000	-	-	286,000
1,004,000	-	-	1,004,000
616,000	74,000	377,000	239,000
1,234,000	-	-	1,234,000
1,234,000	842,000	1,234,000	-
612,000	-	-	612,000
1,299,505	55,878	227,413	1,072,092
2,000,000	53,000	183,000	1,817,000
3,025,000	97,000	97,000	2,928,000
44,000	44,000	44,000	-
46,000	-	-	46,000
48,000	-	-	48,000
747,000	-	-	747,000
$22,806,631	$2,659,730	$7,978,030	$14,828,601

CITY OF COTE SAINT LUC

WORKING FUND

BALANCE SHEET

AS AT DECEMBER 31, 1985

A S S E T S

	1985	1984
Due from Revenue Fund	$ 535,690	$ 638,742
Fixed assets financed on a long term basis	464,310	361,258
	$1,000,000	$1,000,000

L I A B I L I T I E S

Investment in Working Fund	$1,000,000	$1,000,000

See accompanying notes to financial statements

CITY OF COTE SAINT-LUC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting for Revenues and Expenditures:

The City records transactions on an accrual basis except for the following revenues and expenditures which are recorded on a cash basis:

Revenues

a) Grants and compensation from governmental authorities, except for grants in transit at the end of the year supported by official documents.

b) Interest on tax arrears.

c) Municipal court fines and costs.

Expenditures

a) Financing costs

b) Montreal Urban Community obligations and assessments

c) Past service pension obligations

d) Accrued sick pay benefits

This basis of accounting is in accordance with directives from the Minister of Municipal Affairs.

Capital Expenditures:

Capital expenditures under Loan By-Laws are recorded in the Loan By-Law in Progress Fund and are transferred to the Statement of Fixed Assets only when the works and permanent financing are completed and a certificate of completion has been issued by the City Administration.

Revenue Fund Charges to the Loan By-Laws in Progress Fund:

The Revenue Fund makes charges to the Loan By-Laws in Progress Fund for services it provides in connection with the planning, supervision and financing of local improvements capital projects. These charges are designed to assure that current and future ratepayers of the City share actual costs on capital projects on an equitable basis.

Encumbrances and Commitments:

The City does not record outstanding purchase commitments pertaining to the Revenue Fund or the Loan By-Laws in Progress Fund in the accounts as expenditures or accounts payable; this policy is consistent with prior years.

CITY OF COTE SAINT-LUC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

NOTE 2 - CASH

The account includes funds set aside of $215,245 (1984 - $170,296) to meet the obligations of matured bonds and coupons which have not been cashed as at December 31, 1985.

NOTE 3 - CONTINGENT LIABILITIES

a) A number of taxpayers have contested their property valuation registered in the rolls for the years 1972 to 1985 inclusive and have paid their tax bills under protest. The taxes resulting from the difference between the City valuation and the valuation admitted by the taxpayers amount to approximately $10,400,000 for the years affected, of which approximately $1,300,000 relates to school taxes. The largest contestation outstanding relates to Canadian Pacific Ltd. and Marathon Realty Company Limited for the years 1972 through 1985 for taxes of approximately $7,400,000. Refunds of such taxes, if any, will be charged against revenue in the year in which such refund is made. Refunds of school taxes are recoverable from the School Boards since the City is obliged to remit only those amounts collected.

b) Two taxpayers have taken actions against the City for a total of approximately $1,000,000 for reimbursement of water taxes allegedly illegally collected or billed. The City is contesting the claims. The extent of the possible liability cannot be determined at this time.

c) A taxpayer has taken an action against the City for $142,000 for refund of alleged overpayment of local improvement taxes. The City is contesting this claim. The extent of the possible liability cannot be determined at this time.

d) A taxpayer has taken an action against the City for approximately $672,000 in damages allegedly suffered as a result of the closing of a street. The City is contesting this claim. The extent of the possible liability cannot be determined at this time.

e) An unsuccessful bidder for the construction of the City Hall/Library complex has made a claim for damages against the City in the amount of approximately $621,000. This claim should be covered by the City's liability insurance.

f) A claim for damages in the amount of approximately $176,000 has been made against the City. The initial action was dismissed as proscribed and is currently in appeal. The City is contesting the claim which, in any event, should be covered by the City's liability insurance.

CITY OF COTE SAINT-LUC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

NOTE 3 - CONTINGENT LIABILITIES (Cont'd)

g) The City is contingently liable for various miscellaneous claims totalling approximately $118,000.

No provision has been made in the accounts for any liabilities which may arise from the aforesaid claims, except for an amount of $698,974 with respect to tax reductions which amount is included under "Appropriated Surplus". Should the City be liable as a result of any of the above claims, the related cost will be charged to operations in the year it is paid.

NOTE 4 - COMMITMENTS

The City is obliged to pay an amount of approximately $700,000 (U.S.$498,000) representing the balance of the City's share of the redemption of loans contracted by the Montreal Urban Community for consolidation of police costs to December 31, 1971. Council has resolved to pay the amount by annual instalments including interest of approximately $133,000 terminating in 1992.

NOTE 5 - RESERVE FOR SICK BENEFITS

Sick leave benefits are cumulative and employees are entitled to be paid all unused benefits upon termination of employment. At December 31, 1985, accumulated unused benefits totalled approximately $1,300,000. Payments will be charged to expenditure in the year of termination.

NOTE 6 - ANNEXATION REVENUE

a) In accordance with the provisions of Private Bill 200 adopted by the National Assembly of Quebec on June 23, 1982, the City of Montreal annexed 71.8 acres of territory belonging to the City of Cote Saint-Luc. The legislation obliged the City of Montreal to compensate the City of Cote Saint-Luc in the amount of $10,000,000 of which $9,000,000 had been received to December 31, 1984 and the balance of $1,000,000 was due in 1985. In 1985, the City of Montreal paid $351,452 and applied the remaining amount due to the City of Cote Saint-Luc of $648,548 to offset an unrelated liability of $400,000 due to the City of Montreal which is reflected in the Statement of Long-Term Debt together with interest allegedly owing on this amount of $248,598. The City adminstration is of the opinion that the $400,000 was not yet due for payment, that there was no agreement to pay interest on that balance to Montreal and that Montreal did not have the legal right to offset monies it owed to Cote Saint-Luc against this balance. Pending settlement of this dispute, these financial statements continue to reflect balances receivable and payable of $648,548 and $400,000 in the Statements of Non-Current Assets and Long-Term Debt respectively and the Statement of Revenues and Expenditures of the Revenue Fund does not reflect the additional annexation revenue of $648,548 or the additional expenditures plus interest of $648,548 as claimed by the City of Montreal.

CITY OF COTE SAINT-LUC

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1985

NOTE 6 - ANNEXATION REVENUE (Cont'd.)

b) In addition, the City of Montreal must absorb the cost of discharging the capital and interest balances related to certain Loan By-Laws adopted by the City of Cote Saint-Luc to finance local improvements in the area annexed. This should relieve the City of Cote Saint-Luc of obligations totalling approximtely $600,000. To date, approximately $129,000 has been paid by the City of Montreal in this regard.

NOTE 7 - ENGINEERING WORKS AND LOAN BY-LAWS IN PROGRESS

a) "Engineering Works" on the Statement of Fixed Assets includes an amount of $3,197,505 which represents the City of Cote Saint-Luc's share of the cost of the Little St. Pierre Collector Sewer according to the final decision of the Minister of the Environment of the Province of Quebec. This amount has been partially settled by a cash payment of $1,498,000 and a bond issue sold to the City of Montreal in the amount of $1,299,505. The balance due to the City of Montreal of $400,000 is included as a liability on the Statement of Long-term Debt.

In addition, the City of Cote Saint-Luc has counterclaims against the City of Montreal for its share of costs incurred by the City of Cote Saint-Luc which amount, to date, has not been settled. Any final settlement will decrease the balance of "Engineering Works".

b) The City is involved in claims and counterclaims with other municipalities for shares of construction costs of collector sewers financed by the City and the other municipalities. The amount of the claims by the City, net of amounts claimed by other municipalities is approximately $170,000. No provision has been made in the accounts for these claims, but final settlements will increase or decrease the balance of "Loan By-Laws in Progress" or the balance of "Engineering Works" in the Statement of Fixed Assets.